



MARKET MINUTE

An investment report from the Kansas Methodist Foundation

Rate of Return:

As of January 31, 2023 net-of-investment fees

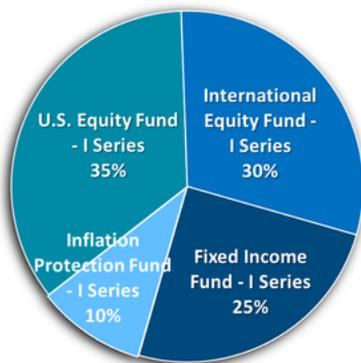
Fund Name	Jan-23	Annualized				
		1 Year	2 Years	3 Years	5 Years	10 Years
Balanced Fund	6.64%	-7.65%	-2.34%	4.69%	4.61%	6.70%
Benchmark	5.78%	-7.51%	-0.24%	4.29%	4.38%	6.72%
Equity Fund	8.34%	-9.29%	-2.33%	6.62%	5.59%	8.54%
Benchmark	7.27%	-7.82%	1.59%	6.73%	5.48%	8.66%
Fixed Income Fund	3.42%	-8.01%	-5.21%	-1.73%	1.08%	1.90%
Benchmark	3.04%	-8.51%	-5.64%	-2.05%	1.18%	1.87%
Short Term Fund	0.21%	1.45%	1.36%	1.44%	1.86%	1.16%

*Historical returns are not indicative of future performance. The Balanced Fund performance is the Wespath Multiple Asset Strategy performance. The Equity Fund returns represent the historical data for the Wespath U.S. Equity Fund (55%) and the Wespath International Equity Fund (45%) until October 2022, when the asset allocation changed to Wespath U.S. Equity Fund (45%), Wespath U.S. Equity Index Fund (20%), and Wespath International Equity Fund (35%). The Fixed Income Fund performance is the Wespath Fixed Income Fund. More information about the funds and benchmarks can be found at <https://www.wespath.com/funds>. The Short Term Income Fund is a combination of multiple investment instruments of the Foundation. The Foundation hired Wespath Institutional Investments on November 1, 2019. The Administration Fee of the Foundation is not included.

KMF Funds:*

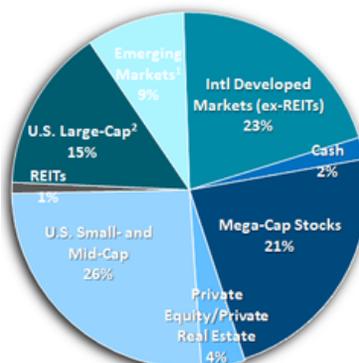
Balanced Fund

65% Equities
35% Fixed Income



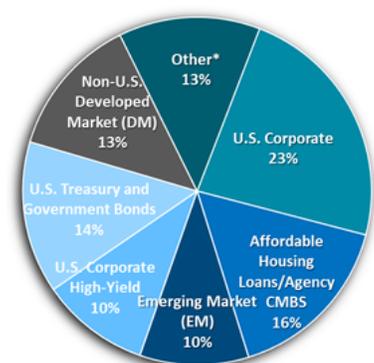
Equity Fund

45% US Equities
20% US Equity Index Fund
35% International Equities



Fixed Income Fund

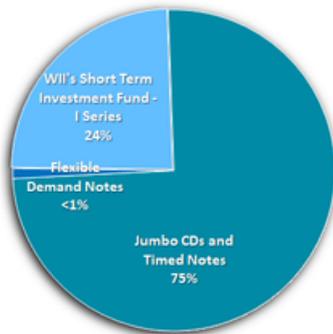
100% Fixed Income



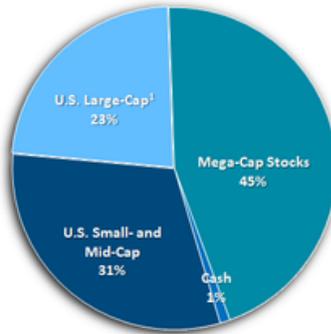
*Fund allocations as of September 30, 2022. Investors can choose a mix of their choice from the funds provided by KMF.

KMF Funds cont'd:*

Short Term Income Fund



NEW US Equity Index Fund (Track Russell 3000)



Certificate of Participation

A Certificate of Participation provides the security of a fixed income type vehicle at competitive rates for 1-year and 2-year investments. Certificates of Participation are the funding source of KMF's Church Development Loan Fund, providing loans throughout the Great Plains Conference.

Visit kansasmethodistfoundation.org to view current rates.

*Fund allocations as of September 30, 2022. Investors can choose a mix of their choice from the funds provided by KMF. WII stands for Wespath Institutional Investments.

January 2023 Highlights:

from the Wespath Institutional Investments January 2023 Investment Report

- The S&P 500 Index of U.S. stocks returned 6.3%, while non-U.S. stocks, represented by the MSCI ACWI ex-U.S. IMI Index, gained 8.0% in January. The Bloomberg U.S. Aggregate Bond Index increased 3.1%.
- Inflation was 6.5% in December, as measured by the year-over-year change in the Consumer Price Index (CPI). The Core Personal Consumption Expenditures (PCE) Index, the U.S. Federal Reserve's (Fed) preferred gauge of inflation (and which excludes food and energy), decelerated from 4.7% in November to 4.4% in December, on a year-over-year basis.
- The U.S. economy added 517,000 non-farm jobs in January, and the unemployment rate decreased to 3.4%.
- The U.S. Equity Fund, International Equity Fund, Fixed Income Fund and Multiple Asset Fund outperformed their respective benchmarks in January, while the Inflation Protection Fund underperformed its benchmark.

Monthly Overview:

from the Wespath Institutional Investments January 2023 Investment Report

Equities and fixed income rebound to start the year

U.S. equity prices rose in January amid the continued easing of inflation and growing investor confidence in the Fed's aggressive approach to taming inflation. The Russell 3000 Index returned 6.9%, and eight out of eleven U.S. stock market sectors increased. Growth stocks outperformed value stocks, as the Russell 3000 Growth Index increased 8.4% while the Russell 3000 Value Index increased 5.4%. The U.S. Dollar Index decreased for a fourth consecutive month, declining 1.4%. Stocks in developed countries outside of the U.S. increased 8.1%, as measured by the MSCI EAFE Index, while the MSCI Emerging Markets IMI Index gained 7.6%.

The Bloomberg U.S. Aggregate Index increased 3.1% in January as bond yields fell during the month. The Bloomberg U.S. High Yield Index gained 3.8%.

Economic update

According to the Bureau of Economic Analysis' advance estimate, U.S. Real GDP increased at an annual rate of 2.9% in the fourth quarter, down slightly from a 3.2% growth rate in the third quarter. CPI increased 6.5% year over year in December, and Core PCE increased 4.4%. U.S. consumer spending fell 0.2% from the prior month in December as higher interest rates and inflation levels impacted consumer behavior. Corporate earnings for S&P 500 companies for the fourth quarter are expected to fall 5.0% from a year ago, based on analyst estimates, as companies have had to navigate a more challenging economic environment.

China lifts zero-COVID measures

World leaders met in Davos, Switzerland for the annual World Economic Forum. Economic concerns related to the potential for new inflationary pressures following China's reopening from COVID-19 lockdowns, rising debt distress in the developing world, resolving the Ukraine/Russia conflict and addressing ongoing climate discussions were among the most pressing topics covered during the conference. Business leaders showed a renewed focus on profitability and efficiency as a result of macroeconomic conditions.

Investment Insights Blog

WEF Global Risks Report: 3 Takeaways from a Sustainable Investor



By Jake Barnett
Director, Sustainable Investment Stewardship
February 13, 2023

Wespath is always seeking to better understand the key environmental and social risks that our investment funds will need to navigate in the near- and long-term. As we head further into 2023, one key resource we consulted recently was the World Economic Forum’s (WEF) latest [Global Risks Report](#).

In developing this annual report, the WEF surveys over 1,200 experts across academia, business, government and civil society on what they consider to be the most pressing risks for global society in the years ahead. “Global risk” in this context is defined as the possibility of an event or condition which, if it were to occur, would negatively impact a significant proportion of global GDP, population or natural resources.

Of course, Wespath may not fully agree with all the assessments from the survey respondents. Reports like this are one of many inputs we must consider when thinking about risks and economic trends. Nevertheless, we do believe that the top concerns identified by the WEF survey validate Wespath’s efforts to address the issues we must resolve to achieve our vision for a sustainable global economy.

For more information and to access the full blog, visit wespath.org.

Let's Connect

If you have questions about your account or fund performance, contact Dustin Petz, President and CEO of the Kansas Methodist Foundation.

Email: dustin@kansasmethodistfoundation.org

Phone: 620-664-9623



“You will be enriched in every way so that you can be generous on every occasion, and through us your generosity will result in thanksgiving to God.”

- 2 Corinthians 9:11